

LNF & IHCIF Calculations Illustration **- MODOC IHP in California area -**

Given Data

- 182 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$2,940 per person for purchased services = $90\% * 109.6\% * \$2,980$
- \$404 per person for in-house services = $10\% * 135.7\% * \$2,980$
- \$3,344 per person total = \$2,940 (purchase) + \$404 (in-house)
- **\$3,208 per person total** adjusted for health status = $\$3,344 * 95.9\%$
- **\$2,463 per person net cost** = $\$3,208 - \745 Other resources (M&M&PI)

Existing Expenditures (for 182 users excluding wrap-around and collections)

- \$3,128 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$3,403 per person for OU users** = $\$3,128 + \$222 + \$54$

LNF Calculation

- **106.1% Gross LNF** = $\$3,403$ (expenditures) / $\$3,208$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **138.2% Net LNF** = $\$3,403 / \$2,463$ net cost ($\$3,208 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 138.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

MODOC IHP Unmet Needs

- **\$448,319 Net Total Need** = 182 users * \$2,463 net cost
- **\$0 Net Unmet Need** = $(100\% - 138.2\% \text{ LNF}) * 182 \text{ users} * \$2,463 \text{ net cost}$